

GREEN TECH HIGH CHARTER SCHOOL

***FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION***

JUNE 30, 2012 AND 2011



GREEN TECH HIGH CHARTER SCHOOL

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JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Green Tech High Charter School
Albany, New York

We have audited the accompanying statements of financial position of Green Tech High Charter School as of June 30, 2012 and 2011 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Green Tech High Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Tech High Charter School as of June 30, 2012 and 2011 and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012 on our consideration of Green Tech High Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 12 and 13 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 18 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 25, 2012

GREEN TECH HIGH CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets		
Cash	\$ 164,287	\$ 119,067
Grants and Contracts Receivable	353,132	727,139
Accounts Receivable	69,110	18,816
Prepaid Expense	54,949	3,512
Inventory	<u>3,740</u>	<u>3,740</u>
Total Current Assets	645,218	872,274
Property and Equipment - Net	<u>216,768</u>	<u>197,105</u>
Total Assets	<u><u>\$ 861,986</u></u>	<u><u>\$ 1,069,379</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 86,124	\$ 311,988
Accrued Payroll and Benefits	455,449	274,904
Deferred Income	-	12,015
Compensated Absences	<u>25,817</u>	<u>12,728</u>
Total Current Liabilities	567,390	611,635
Net Assets		
Unrestricted	<u>294,596</u>	<u>457,744</u>
Total Liabilities and Net Assets	<u><u>\$ 861,986</u></u>	<u><u>\$ 1,069,379</u></u>

GREEN TECH HIGH CHARTER SCHOOL*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012*

Revenue

Public School District

Resident Student Enrollment \$ 4,295,899

Students with Disabilities 142,472

Grants and Contracts

Federal - Title I and IDEA 160,244

Federal - Other 363,100

Food Service/Children Nutrition Program 132,405Total Revenue 5,094,120

Expenses

Program Services

Regular Education 3,449,344

Special Education 579,393

Other Programs 278,699

Total Program Services 4,307,436

Management and General 1,028,510Total Operating Expenses 5,335,946Loss from School Operations (241,826)

Other Revenue

Contributions

Foundations 10,303

Individual 15,247

Corporations 6,855

Fundraising 2,986

Interest Income 694

Miscellaneous Income 42,593Total Other Revenue 78,678

Decrease in Net Assets (163,148)

Net Assets, Beginning of Year 457,744Net Assets, End of Year \$ 294,596

GREEN TECH HIGH CHARTER SCHOOL*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011*

Revenue

Public School District	
Resident Student Enrollment	\$ 3,469,014
Students with Disabilities	142,546
Grants and Contracts	
Federal - Title I and IDEA	136,578
Federal - Other	344,162
Food Service/Children Nutrition Program	<u>94,235</u>
Total Revenue	<u>4,186,535</u>

Expenses

Program Services	
Regular Education	2,459,049
Special Education	554,479
Other Programs	<u>205,701</u>
Total Program Services	3,219,229
Management and General	<u>814,313</u>
Total Operating Expenses	<u>4,033,542</u>
Surplus from School Operations	<u>152,993</u>

Other Revenue

Contributions	
Foundations	50,670
Individual	10,400
Corporations	2,700
Fundraising	200
Interest Income	517
Miscellaneous Income	<u>31,754</u>
Total Other Revenue	<u>96,241</u>

Increase in Net Assets	249,234
Net Assets, Beginning of Year	<u>208,510</u>
Net Assets, End of Year	<u><u>\$ 457,744</u></u>

GREEN TECH HIGH CHARTER SCHOOL

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows Provided by Operating Activities:		
Increase (Decrease) in Net Assets	\$ (163,148)	\$ 249,234
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	81,739	72,314
Changes in Operating Assets and Liabilities		
<u>(Increase) Decrease in Assets</u>		
Grants and Contracts Receivable	374,007	(662,287)
Accounts Receivable	(50,294)	163,951
Prepaid Expense	(51,437)	(3,153)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(225,864)	80,264
Accrued Payroll and Benefits	180,545	122,210
Deferred Income	(12,015)	2,015
Compensated Absences	<u>13,089</u>	<u>5,446</u>
Net Cash Provided by Operating Activities	146,622	29,994
Cash Flows Used in Investing Activities		
Purchase of Property and Equipment	<u>(101,402)</u>	<u>(83,312)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	45,220	(53,318)
Cash and Cash Equivalents, Beginning of Year	<u>119,067</u>	<u>172,385</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 164,287</u></u>	<u><u>\$ 119,067</u></u>

1. ORGANIZATION AND PURPOSE

Organization

The mission of Green Tech High Charter School (the “School”) is to prepare young men to complete high school with a Regents diploma so they will have the opportunity to attend college or choose an alternative, responsible career path as they enter adulthood. The School will succeed in this mission by providing a complete college preparatory high school curriculum that ensures every student will attain the skills and coursework necessary for a Regents diploma, including the use of computer technology, with an added knowledge and understanding of the environment.

During the 2011-2012 school year, the School had an annualized full-time enrollment of approximately 315 students in grades 9 through 12.

The School is governed by a Board of Trustees in accordance with the School’s by-laws. The School is a member of the Brighter Choice Foundation, which provides start-up grants, school facilities, revolving loan funds and technical assistance to area charter schools.

The School is exempt from Federal and State income tax under §501(c)(3) of the Internal Revenue Code and comparable New York State Law. The School is designated as a publicly supported organization which is not a private foundation under §509(a) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements of the School have been prepared utilizing the accrual basis of accounting, whereas revenue is recognized when earned and expenses when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Support and Revenue

Grants and pledges received are measured at their fair values and reported as an increase in net assets. The School reports grants and pledges as restricted when a portion of their value is assigned to a long-term future use, long-term meaning in excess of one year for the purpose of these statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (Continued)

The School reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services and Goods

A number of unpaid volunteers have made contributions of their time. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation and it does not meet the reporting requirements of the accounting standards.

Grants, Contracts and Accounts Receivable

The School utilizes the allowance method to determine the allowance for doubtful accounts. At June 30, 2012 and 2011 management determined no allowance was necessary based upon their review of the specific receivables.

Property, Equipment and Depreciation

Acquisitions of property and equipment in excess of \$1,000 are capitalized and recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs not improving or extending the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation is removed from the accounts and any gain or loss is reported in the statement of activities. Depreciation is provided over the estimated useful life of each class of depreciable assets (ranging from 3 to 39 years) and is computed using the straight-line method.

Conditional and Unconditional Promises to Give

At June 30, 2012 and 2011 the School had not received any conditional or unconditional promises to give.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs benefitted. Salaries are allocated based on estimates of total time spent, while other expenses are allocated based on estimates of the resources used.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures. Actual results could differ from these estimates. Estimates include depreciation and amortization periods of long-lived assets.

Fair Value

For assets and liabilities measured at fair value on a recurring basis, the Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the School would receive upon selling an asset or be paid to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The School has no assets or liabilities measured at fair value on a recurring basis.

Accounting for Uncertainty in Income Taxes

The Accounting Standards Codification requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The School has not recognized any benefits from uncertain tax positions in 2011 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date. Generally, federal, state and local authorities may examine the School's tax-exempt returns for three years from the date of filing; consequently, income tax returns for years prior to 2008 are no longer subject to examination by taxing authorities.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through October 25, 2012, the date the financial statements were available to be issued. No such events or transactions were identified.

Cash and Cash Equivalents

For purposes of balance sheet classification and the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

The School expenses advertising costs as they are incurred.

Reclassification

Certain 2011 amounts have been reclassified to conform with the current year presentation.

3. GRANTS, CONTRACTS AND ACCOUNTS RECEIVABLE

At June 30, 2012 and 2011, grants, contracts and accounts receivable were comprised of the following:

	<u>2012</u>	<u>2011</u>
School District Tuition	\$ 251,645	\$ 647,539
U.S. Department of Agriculture	46,786	5,135
U.S. Department of Education	101,487	79,600
Other Receivables	<u>22,324</u>	<u>13,681</u>
	<u><u>\$ 422,242</u></u>	<u><u>\$ 745,955</u></u>

4. PROPERTY AND EQUIPMENT

Property and equipment are reflected at historical cost, net of related depreciation, and are comprised of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Building Improvements	\$ 57,916	\$ 35,893
Furniture and Fixtures	171,126	137,525
Equipment	<u>210,888</u>	<u>165,110</u>
Total at Cost	439,930	338,528
Less: Accumulated Depreciation	<u>(223,162)</u>	<u>(141,423)</u>
	<u><u>\$ 216,768</u></u>	<u><u>\$ 197,105</u></u>

Depreciation expense was \$81,739 and \$72,314 for the years ended June 30, 2012 and 2011, respectively.

5. FACILITIES RENTAL

The School currently leases facilities through October 31, 2015 from the Brighter Choice Foundation. Net occupancy costs of the lease for the years ended June 30, 2012 and 2011 were \$718,200 and \$708,600, respectively.

5. FACILITIES RENTAL (CONTINUED)

Future annual minimum lease payments required under the office lease in the year ending June 30 are approximated as follows:

2013	\$ 730,200
2014	\$ 742,200
2015	\$ 748,200

6. COMMITMENTS AND CONTINGENCIES

The School receives a substantial portion of its funding from school districts where students reside. Two school districts comprised approximately 77% and 64% of total revenue and support for the years ended June 30, 2012 and 2011, respectively. No other funding source accounted for more than 10% of total revenue and support.

The School does occasionally maintain deposits in excess of federal insured limits. FASB ASC 850-10 identifies this as a possible concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is further managed by maintaining all deposits in high quality financial institutions.

The School is subject to audits and reviews of reimbursable costs by various governmental agencies. The outcome of the audits and reviews may have the effect of retroactively increasing or decreasing revenue from various sources. These changes, if any, will be recognized in accordance with the rules and guidelines established by the various funding sources.

7. CONCENTRATION OF RISK

The School receives a substantial portion of its funding from school districts where students reside. Three school districts comprised approximately 84% of total revenue and support for the years ended June 30, 2012 and 2011, respectively. No other funding source accounted for more than 10% of total revenue and support.

The School does occasionally maintain deposits in excess of federal insured limits. FASB ASC 850-10 identifies this as a possible concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is further managed by maintaining all deposits in high quality financial institutions.

The School is subject to audits and reviews of reimbursable costs by various governmental agencies. The outcome of the audits and reviews may have the effect of retroactively increasing or decreasing revenue from various services. These charges, if any, will be recognized in accordance with the rules and guidelines established by the various funding sources.

OTHER FINANCIAL INFORMATION

GREEN TECH HIGH CHARTER SCHOOL*SCHEDULE OF FUNCTIONAL EXPENSES**FOR THE YEAR ENDED JUNE 30, 2012*

	<u>Program Services</u>			<u>Supporting Services</u>	
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 1,871,458	\$ 431,872	\$ 17,099	\$ 518,285	\$ 2,838,714
Benefits and Payroll Taxes	361,409	69,827	-	94,640	525,876
Contracted Services	105,628	-	163,680	109,812	379,120
Educational Materials	66,879	199	270	3,375	70,723
Extracurricular Activities	4,891	-	-	-	4,891
Field Trips	20,328	-	100	-	20,428
Insurance	18,612	1,861	2,659	6,427	29,559
Maintenance and Repairs	171,076	11,800	13,599	42,492	238,967
Marketing and Recruitment	-	-	-	35,979	35,979
Miscellaneous	1,989	-	-	12,923	14,912
Postage and Delivery	-	-	-	4,915	4,915
Professional Services	-	-	-	17,589	17,589
Rent	502,740	50,274	71,820	93,366	718,200
Sports	102,596	-	-	-	102,596
Staff Development	20,166	425	-	8,957	29,548
Supplies and Materials	24,290	510	-	41,251	66,051
Telephone and Internet	26,398	4,022	-	11,817	42,237
Textbooks	13,494	-	-	-	13,494
Transportation (Student)	7,112	-	-	-	7,112
Travel (General)	-	359	-	14,272	14,631
Uniforms	12,481	-	-	-	12,481
Utilities	46,312	4,631	6,616	8,625	66,184
Depreciation	<u>71,485</u>	<u>3,613</u>	<u>2,856</u>	<u>3,785</u>	<u>81,739</u>
Total Expenses	<u>\$ 3,449,344</u>	<u>\$ 579,393</u>	<u>\$ 278,699</u>	<u>\$ 1,028,510</u>	<u>\$ 5,335,946</u>

GREEN TECH HIGH CHARTER SCHOOL*SCHEDULE OF FUNCTIONAL EXPENSES**FOR THE YEAR ENDED JUNE 30, 2011*

	<u>Program Services</u>			<u>Supporting Services</u>	
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 1,164,452	\$ 411,731	\$ -	\$ 442,461	\$ 2,018,644
Benefits and Payroll Taxes	263,776	69,405	-	49,151	382,332
Contracted Services	70,865	-	109,081	69,736	249,682
Educational Materials	76,168	48	325	23,772	100,313
Extracurricular Activities	367	-	-	-	367
Field Trips	24,432	-	-	-	24,432
Insurance	17,023	1,702	2,432	3,161	24,318
Maintenance and Repairs	84,339	8,734	11,954	18,369	123,396
Marketing and Recruitment	-	-	-	26,059	26,059
Miscellaneous	159	-	-	9,193	9,352
Postage and Delivery	-	-	-	6,669	6,669
Professional Services	-	-	-	16,026	16,026
Rent	496,020	49,602	70,860	92,118	708,600
Sports	58,777	-	-	-	58,777
Staff Development	9,859	-	-	7,322	17,181
Supplies and Materials	23,181	1,093	-	22,591	46,865
Telephone and Internet	18,164	2,854	-	9,047	30,065
Textbooks	29,311	-	-	-	29,311
Transportation (Student)	1,247	-	-	-	1,247
Travel (General)	437	-	-	5,948	6,385
Uniforms	14,674	-	-	1,026	15,700
Utilities	45,868	4,587	6,553	8,499	65,507
Depreciation	<u>59,930</u>	<u>4,723</u>	<u>4,496</u>	<u>3,165</u>	<u>72,314</u>
Total Expenses	<u>\$ 2,459,049</u>	<u>\$ 554,479</u>	<u>\$ 205,701</u>	<u>\$ 814,313</u>	<u>\$ 4,033,542</u>

FEDERAL AWARD PROGRAM INFORMATION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Green Tech High Charter School

We have audited the financial statements of Green Tech High Charter School as of and for the year ended June 30, 2012, and have issued our report thereon dated October 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Green Tech High Charter School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Green Tech High Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green Tech High Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Green Tech High Charter School in a separate letter dated October 25, 2012.

This report is intended solely for the information and use of management, others within the School, the Board of Trustees, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 25, 2012

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Green Tech High Charter School

COMPLIANCE

We have audited Green Tech High Charter School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Green Tech High Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Green Tech High Charter School's management. Our responsibility is to express an opinion on Green Tech High Charter School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Green Tech High Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Green Tech High Charter School's compliance with those requirements.

In our opinion, Green Tech High Charter School complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

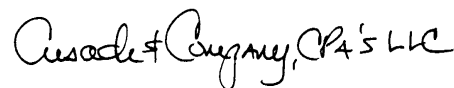
INTERNAL CONTROL OVER COMPLIANCE

Management of Green Tech High Charter School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Green Tech High Charter School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Green Tech High Charter School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program that will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over noncompliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees of Green Tech High Charter School, others within the entity and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 25, 2012

GREEN TECH HIGH CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Passed Through New York State Education Department:			
ESEA Title I	84.010	021-10-4490	\$ 126,773
Section 611 and 619, Special Education Flow Through (IDEA)	84.027	-	25,531
Elementary and Secondary School Counseling Demonstration Program	84.215E	-	363,100
Title II Part A	84.367	147-10-4490	<u>7,940</u>
Total U.S. Department of Education			<u>523,344</u>
<u>U.S. Department of Agriculture</u>			
Passed Through New York State Education Department:			
School Breakfast Program	10.553	-	30,345
School Lunch Program	10.555	-	<u>75,737</u>
Total U.S. Department of Agriculture			<u>106,082</u>
Total Federal Assistance			<u>\$ 629,426</u>

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the School, which is described in Note 1 to the School's financial statements, using the accrual basis of accounting. Federal awards included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

2. LOANS OUTSTANDING

Green Tech High Charter School has no loan balances outstanding at June 30, 2012.

3. SCOPE OF THE AUDIT PURSUANT TO OMB CIRCULAR A-133

Green Tech High Charter School is a tax-exempt non-profit entity. All federal grant operations of the School are included in the scope of the Single Audit.

4. SUBRECIPIENTS

Of the federal expenditures of \$629,426 for the year ended June 30, 2012, Green Tech High Charter School provided no federal awards to subrecipients.

GREEN TECH HIGH CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I — SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Control deficiency(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Control deficiency(s) identified that are not considered to be material weakness(es)? ☐ Yes ☒ No

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

CFDA Number(s)

84.215E

Name of Federal Program or Clusters

Elementary and Secondary School Counseling
Demonstration Program

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

SECTION II — FINANCIAL STATEMENT FINDINGS

No matters noted.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters noted.

SECTION IV — RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

No matters noted.